Form **8937** (December 2011) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name TAYLOR CAPITAL GROUP, INC.			2 Issuer's employer identification number (EIN) 36-4108550
3 Name of contact for additional information GAIL PEARSON	4 Telephone No. of contact 847 653-7110		5 Email address of contact gpearson@coletaylor.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 9550 W HIGGINS ROAD			7 City, town, or post office, state, and Zip code of contact ROSEMONT, IL 60018
8 Date of action 11-23-11	9 Classification and description STOCK AS DESRIBED BELOW SERIES C PREF; SERIES D PREF; SERIES E PREF; SERIES G PREF, COMMON		
10 CUSIP number STATEMENT 1	11 Serial number(s) N/A	12 Ticker symbol TAYC (common) P/S N/A	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On November 23, 2011, Taylor Capital Group, Inc. (the "Company" or "TCG") distributed, at no charge, to holders of its common stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series G Preferred Stock (and collectively the "Specified Securities"), nontransferable subscription rights (the "Subscription Rights") to purchase up to a total of 4,424,778 shares of TCG common stock, $0.01 par value per share (the "Common Stock"), or, in accordance with the terms of certain of the Eligible Securities, a nonvoting security substantially equivalent to Common Stock ("Series G Preferred Stock" or "Common Stock Equivalent"). The Company refers to this offering as the "Rights Offering," and to the shares of Common Stock and any Common Stock Equivalent offered in the Rights Offering as the "Shares."

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ As a result of the Rights Offering described above, a U.S. taxpayer/shareholder of Specified Securities may have to allocate the original tax basis for the Specified Securities on which the Subscription Rights were issued between the Specified Securities and the Subscription Rights in proportion to the fair market value of the Specified Securities with respect to which the Subscription Rights were issued and the Subscription Rights themselves, as of the date of the Subscription Rights distribution. This rule would apply if the fair market value of the Subscription rights when distributed is 15 percent or more of the fair market value of the Specified Securities.

However, if the fair market value of the Subscription Rights when distributed is less than 15 percent of the fair market value of the holder's existing Specified Securities at the time of distribution, the basis of the Subscription Rights will be zero. The shareholder may, however, elect to allocate tax basis under the method discussed above.

- continued - Statement 1

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The Company has determined that the fair market value of the Subscription Rights is less than 15% of the fair market value of the Specified Securities and that the basis of the Subscription Rights is, therefore, zero. Accordingly, no change in basis results from the Rights Offering.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The applicable Code sections are Sections 305(a), 307(a) and 307(b).

18 Can any resulting loss be recognized? ▶ Shareholders will not recognize a loss for U.S. federal income tax purposes in connection with the Rights Offering.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The information herein represents Company's understanding of existing U.S. federal income tax law and regulations and does not constitute tax advice. It does not purport to be complete or to describe tax consequences that may apply to particular categories of stockholders, including in particular, the possibility of applying different methods for allocating tax basis. The Company does not provide tax advice to its shareholders. However, to ensure compliance with requirements imposed by the IRS, the Company informs you that any U.S. tax advice contained herein is not intended or written to be used, and cannot be used, for purposes of (i) avoiding penalties under the Internal Revenue Code of 1986, as amended, or (ii) promoting, marketing, or recommending any transaction or matter discussed herein.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Randall T. Conte Date ▶ 1/13/12

Print your name ▶ RANDALL T CONTE Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
GARY L RADEMAKER	Gary Rademaker			P00740672
Firm's name ▶ KPMG LLP			Firm's EIN ▶	13-5565207
Firm's address ▶ 303 E. WACKER DRIVE CHICAGO, IL 60601			Phone no.	312-665-1000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

TAYLOR CAPITAL GROUP, INC.

36-4108550

Form 8937

Part I – Reporting Issuer

Line 10 – CUSIP number

Series C Preferred	876851 403
Series D Preferred	876851 502
Series E Preferred	876851 601
Series G Preferred	876851 700
Common	876851 106

Part II – Organizational Action

Line 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

(continued)

In either case, the basis allocated to Subscription Rights will revert to the Specified Securities if the Subscription rights are not exercised or sold.

The Company has determined that the fair market value of the Subscription Rights is less than 15% of the fair market value of the Specified Securities and that the basis of the Subscription Rights is, therefore, zero absent a shareholder election to allocate basis to the Subscription Rights. Accordingly, no quantitative effect on the basis of the Specified Security results from the Rights Offering.